

Appendix D

Financial Management Operations

The finance mission during RSO&I operations is to fund Army, joint and multinational forces by providing timely procurement and contracting support, banking and currency support, US and non-US pay support, accounting and cost capturing, travel and financial advice and policy.

GENERAL

D-1. Finance elements provide the initial funding in both US dollars and applicable foreign currencies to support the initial procurement efforts, including leasing of transportation assets, contracting of facilities (buildings, private air strips, warehouses, and so forth), and payment of services (translators, laundry, commercial phones).

D-2. Finance structure is modular and tailorable and deploys only those elements required to support the deployed force. The finance commander's knowledge of the interfaces between the logistical and financial management systems is critical for effective combat service support and provides specific capabilities during RSO&I operations as discussed below.

PROCUREMENT PROCESS

D-3. Support to the logistical system and to contingency contracting efforts is critical to success during all operations. Finance units will provide funds for the purchase of local goods and services needed in a more timely manner or that are more economically purchased locally. A large percentage of finance units' wartime efforts may be devoted to supporting contracting and local procurement efforts. It is the responsibility of finance personnel to prevent improper or illegal payments and to coordinate with support contracting personnel regarding local business practices.

BANKING AND CURRENCY

D-4. Currency support includes supplying US currency, foreign currencies, US Treasury checks, foreign military scrip, MPC, and, in some operations, precious metals (gold, silver) to US and multinational forces in the theater. Finance units may also provide currency and coins to AAFES facilities, (Tactical Field Exchanges), and postal units. Finance units provide cash for ATM in the theater. Finance commanders advise unit commanders on the use of local currency in the conduct of personal affairs. Restrictions may be imposed to prevent disruption of the local economy and to prevent and control black market operations and counterfeiting.

US PAY

D-5. As directed, finance units provide pay support to all services (both Active and Reserve components) and DOD civilians. Pay support will be provided when requested by commanders, METT-TC dependent; however, pay support is generally not provided to forces engaged in decisive operations. Finance units maximize the use of automated systems to maintain soldiers' pay accounts.

TRAVEL

D-6. Deployed personnel are likely to be in a TDY status (as opposed to field status). The requirements for travel support could be immense-even if entitlements are limited to incidental expenses. Reimbursable travel will be held to a minimum for the deployed force; however, during the early stages of the operation, there may be extensive requirements for TDY to and from the theater.

D-7. Travel support also includes NEO travel advances to noncombatants when they evacuate from the theater (emergency evacuation allowances). The State Department may issue a noncombatant evacuation order for US citizens in the host nation or target country. Evacuation payments are authorized under these conditions and are usually paid outside the target country at a pre-designated safe haven.

NON-US PAY

D-8. Finance units are responsible for providing pay support for host nation employees, day laborers, enemy prisoners of war, and civilian internees. Host nation employee and day labor pay are provided through arrangements with the host nation or by finance units but will occur in the theater.

ACCOUNTING

D-9. The Army must provide accurate reports to Congress on the use of public funds for an operation. Appropriated and non-appropriated accounting requirements for a military operation are immense, and they begin prior to the deployment of the first soldier into the theater. Efficient cost capturing is dependent upon the timely receipt and accuracy of cost data and is achieved through the joint efforts of the finance, contracting and resource management personnel.

COMMAND RESOURCE REQUIREMENTS

D-10. The goal of the financial manager is to provide prompt mission-essential funding to ensure operational success, and to protect funds from

fraud, waste, and abuse. The RM serves as the commander's "honest broker" during resource allocation discussions and advises the commander on the best possible use of these resources to support the operation.

D-11. The RM estimates funding requirements and prepares the initial estimates to support operational missions and will continually refine the estimates as operations continue. The RM considers reimbursement issues relating to joint and multinational operations, UN operations, and other interagency support and determines the bill payers for various aspects of an operation. Resource requirements include theater infrastructure construction, materiel, and services for ports, communications, road, rail, and river networks. The RM justifies command resource requirements based on the best operational and logistical estimates.

FUNDING SOURCES

D-12. The RM analyzes and determines all potential sources of funding, including various DOD appropriations, foreign cash contributions, host nation support, and foreign assistance-in-kind. Extraordinary measures, including emergency funding authorities such as Feed and Forage Act provisions, are also considered when appropriate.

D-13. The RM solicits and obtains obligation authority or other legal means of exchange to fund Army operations, and, as directed, joint and multinational operations.

DISTRIBUTE AND CONTROL

D-14. The RM develops and implements procedures to distribute obligation authority or other means of exchange among units in the theater. The RM also develops and implements procedures to respond quickly to valid changes in units' funding requirements or in the availability of funding sources. Procedures will adhere to regulations, applicable policies, and US law. Effective and efficient fund control and certification is critical in the conduct of operations, especially those operations of a long duration. Loss of control may violate regulations or the law and puts the RM and the operational commander in jeopardy.

D-15. Resource managers provide limited funding authority to field ordering officers and contracting officers. Finance unit's support contracting and ordering officers by providing cash, checks, and electronic fund transfer payments.

TRACKING OBLIGATIONS

D-16. The RM will establish reporting procedures that will let units report their estimated and/or actual commitments, obligations, and reimbursable costs, and estimate their future costs. Reporting procedures should be simple and flexible enough to ensure accurate reporting under any

circumstances, across the range of military operations. Cost reports are consolidated periodically and provided through appropriate command channels.

D-17. Resource management is closely linked to finance, logistical, and contracting activities in the theater. In many instances, deploying units will be responsible for tracking and capturing all costs incurred; however, sometimes the costs of centralized supply and logistical operations may be captured outside the theater, primarily by automated means. In any case, the RM, in conjunction with the supporting finance unit, captures the cost of intratheater logistical and construction operations and locally procured supplies and services.

TRACKING ALLIED SUPPORT

D-18. The RM will develop and implement procedures in coordination with logistics elements to report the value of allied support provided in the theater (this includes host nation support and foreign assistance-in-kind). Particular care must be taken in this arena due to the political sensitivity inherent in multinational operations. The RM tracks and budgets cash contributions in different currencies and develop logical and consistent methods to value both foreign currency contributions and assistance in kind in US dollars. Reimbursement costs may develop with organizations such as NATO, the UN, the US Department of State, or other troop providing nations.